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IDAHO PUBLIC
UTILITIES COMMISSION

Attorneys for Western Desert Energy, LLC

BEFORE THE IDAHO

PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)
APPLICATION OF IDAHO POWER) **CASE NO. IPC-E-11-01**
COMPANY FOR A DETERMINATION)
REGARDING A FIRM ENERGY SALES) AFFIDAVIT OF ROWE SANDERSON
AGREEMENT WITH WESTERN DESERT) IN SUPPORT OF APPROVAL OF
ENERGY, LLC FOR THE SALE AND) THE ENERGY SALES AGREEMENT
PURCHASE OF ELECTRIC ENERGY)
_____)

I, Rowe Sanderson, do declare the following and if called to testify, would and could competently testify thereto:

1. I am over the age of 18, and I am employed by the Western Desert Energy, LLC, which is an Oregon limited liability company registered to conduct business in the State of Idaho. I generally use the name "Sandy" Sanderson, and that name appears in much of my correspondences related to this matter.

2. I have been directly involved in the development efforts for Western Desert Energy, LLC's 5 megawatt ("MW") wind farm on the Stanford Ranch in Owyhee County, Idaho.

3. I have personal knowledge of the matters set forth herein from my involvement in developing the Western Desert Energy wind project (or “the Project”), including the efforts to secure real property rights, study the wind resource, obtain necessary government permits, proceed through the interconnection and transmission processes, and execute the Firm Energy Sales Agreement (“FESA”).

General Project Development Background

4. Western Desert Energy has planned a 5 MW wind project that will use three 1.6 MW turbines in Idaho Power’s service territory in Owyhee County, and will sell its output to Idaho Power as a qualifying facility under the Public Utilities Regulatory Policies Act of 1978 (“PURPA”).

5. The developers of the Project signed the land lease to develop a wind farm on the Stanford Ranch, effective October 7, 2009, and Western Desert Energy, LLC still possesses the rights there under.

6. The Project developers expended considerable time researching wind farms and originally considered developing a larger wind farm.

7. In December 2009, the Project’s developers decided to develop a 5 MW project because Idaho Power stated that the transmission line crossing the property could handle a project of that size.

8. The Project’s developers obtained a conditional use permit from Owyhee County in October 2010.

9. Thus far, the Project’s developers have spent approximately \$105,000 on the land lease, meteorological tower and equipment, interconnection studies, engineering work, and other development costs.

Efforts to Secure an Interconnection Agreement

10. Western Desert Energy completed an Idaho Power Small Generator Interconnection Request for the 5 MW wind project on March 2, 2010, and Idaho Power received the Request on March 9, 2010.

11. Western Desert Energy requested to interconnect 5 MW of wind output to a 69 kilovolt line that runs near the Stanford Ranch.

12. On May 10, 2010, Western Desert Energy and Idaho Power entered into a Feasibility Study Agreement.

13. On July 9, 2010, Idaho Power completed the Final Feasibility Study Report, and on August 9, 2010, Idaho Power provided Western Desert Energy with the study and a Facility Study Agreement.

14. The Feasibility Study concluded that the existing transmission system is capable of integrating the 5 MW Project at the proposed point of interconnection with a proposed online date in summer 2012, and that a System Impact Study was unnecessary.

15. The cover letter sent on August 9, 2010 stated that Western Desert Energy must execute the Facility Study Agreement and submit a deposit of \$30,000 by September 21, 2010, or else the application for interconnection would be withdrawn.

16. Western Desert Energy executed the Facility Study Agreement and provided the \$30,000 deposit on September 21, 2010. In this Agreement, Western Desert Energy set dates for commencing construction on April 15, 2012, and full commercial operation on October 31, 2012.

17. On October 22, 2010, Idaho Power's transmission personnel sent a letter confirming that the Facility Study Agreement was complete, and projecting to have a

completed Facility Study by December 29, 2010.

18. On January 24, 2011, Idaho Power provided Western Desert Energy with a letter and the Draft Facility Study Report.

19. The January 24, 2011 letter requested comments so that the parties could execute a Generator Interconnection Agreement and proceed with final design and construction. We are currently awaiting Commission determination on approval of the Firm Energy Sales Agreement containing the published avoided cost rates prior to committing further resources to the final interconnection process.

Contacts with Idaho Power's PURPA Contracts Administrators

20. Idaho Power's transmission personnel had informed Western Desert Energy at various times throughout the interconnection process that in addition to securing interconnection rights through the transmission personnel, we would have to secure transmission rights to the load center and a power sales contract.

22. We were told that Idaho Power's power supply merchant group would handle those aspects of the Project.

23. I was in touch with Randy Allphin as early as March 2010 because he is the person the transmission personnel instructed me to contact to secure transmission rights and a power sales contract.

24. I emailed Mr. Allphin on March 8, 2010, requesting information to determine how much transmission was available at that time, and what kind of improvements would be necessary to secure transmission for the Project. I attached our Small Generator Interconnection Agreement to my March 8, 2010 email.

25. In addition, Mr. Allphin was copied with correspondences between

Western Desert Energy and Idaho Power's transmission department personnel handling the interconnection requests, including Idaho Power's March 17, 2010 letter sending the Project the Feasibility Study Agreement, and Idaho Power's letter on October 22, 2010 sending the Project the fully executed Facility Study Agreement.

26. On August 15, 2010, I emailed Mr. Allphin and stated, "this a request to begin the study process for the delivery of energy to Idaho Power (Transmission Capacity Study) for Western Desert Energy, LLC 5 MW (GI-318) wind turbine project and a PURPA Power Purchase Agreement from Idaho Power for the 5 MW proposed wind turbine farm in Owyhee County."

27. I attached the Final Feasibility Study to this August 15, 2010 email to Mr. Allphin.

28. On September 28, 2010, Idaho Power's PURPA contracts department delivered a letter of understanding to Western Desert Energy.

29. The September 28, 2010 letter of understanding stated that before Idaho Power would execute a FESA, Western Desert Energy must have received an Interconnection Feasibility Study with acceptable results, must have provided Idaho Power with the necessary information to request transmission capacity on its own system, and must receive acceptable results from an initial transmission request.

30. As described above, we had already completed the Interconnection Feasibility Study and provided it to Mr. Allphin on August 15, 2010.

31. We had also already requested that Mr. Allphin begin the formal transmission request process on March 2, 2010, and on August 15, 2010, and we assumed that Mr. Allphin would commence that process with information provided to him.

32. Through the fall of 2010, I was in contact with Mr. Allphin regarding our Project and our efforts to secure a FESA.

33. Western Desert Energy executed Idaho Power's letter of understanding on November 9, 2010, and returned it to Idaho Power.

34. We learned that, prior to Idaho Power beginning the transmission study, Idaho Power wanted us to complete a form titled "Transmission Capacity Application Questionnaire," in addition to the information already provided.

35. We completed the Transmission Capacity Application Questionnaire and Idaho Power received it on December 13, 2010.

36. Around this time, I learned that Idaho Power had filed a petition on November 5, 2010, to lower the eligibility cap for published avoided cost rates to 100 kilowatts, well below our project size. Nobody from Idaho Power had informed us of this filing during our communications throughout the fall.

37. All of our efforts to date had been based on the presumption that the published avoided cost rates would be available to our Project, and we were surprised to learn that Idaho Power had filed a request to make those rates unavailable to projects like ours.

38. We decided to retain a law firm in mid-December 2010 to assist us in securing the power sales contract.

39. On January 3, 2011, Idaho Power sent a letter, confirming that the transmission capacity was available to deliver the Project's output to Idaho Power's load center, and that no further transmission studies were necessary.

40. With the January 3, 2011 letter, Idaho Power provided a draft FESA for

the very first time since Western Desert Energy had first contacted it almost a year previously, regarding our 5 MW project.

41. In this January 3, 2011 letter, Idaho Power also notified Western Desert Energy for the first time that it had filed a joint petition to lower the eligibility cap for published avoided cost rates on November 5, 2010, and that this filing may impact the Project's right to published rates.

42. We completed the project-specific information in the standard PURPA FESA provided by Idaho Power, and requested that Idaho Power provide execution ready copies.

43. After receiving execution-ready copies of the FESA, a managing member of Western Desert Energy, LLC, Michael Chase, executed final copies of the FESA on January 22, 2011, and delivered them to Idaho Power.

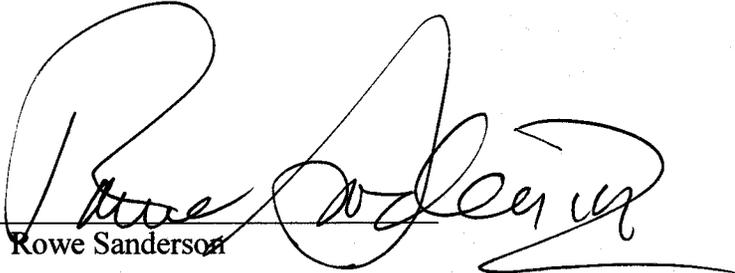
44. Idaho Power executed the FESA on January 28, 2010, and filed it for Commission determination on February 2, 2011.

45. Western Desert Energy would have executed a FESA months earlier if we had understood the steps necessary to obtain a final FESA when we first contacted Idaho Power's PURPA contracts administration department and if we had understood that Idaho Power would request that the Public Utilities Commission lower the eligibility cap for published avoided cost rates.

I declare under penalty of perjury under the laws of the United States and under laws of the state of Idaho that the foregoing is true and correct.

DATED this 4/5/11 day of April 2011.

By

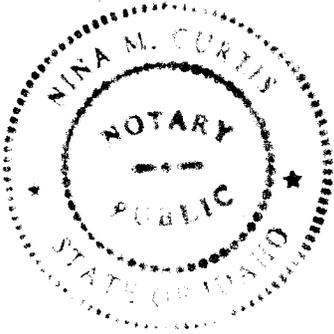

Rowe Sanderson

STATE OF IDAHO
COUNTY OF ADA

)
) ss.
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On this 5th day of April 2011, before me, a Notary Public in and for the State of Idaho, personally appeared Rowe Sanderson, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument and acknowledged it to be his free and voluntary act and deed for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.



Nina M Curtis

NOTARY PUBLIC for the State of Idaho

Residing at Bose, ID, 83702

My Commission expires

3-19-15